

# **Indiana Department of Commerce**

1997 Annual Report



**It's about...**

**...developing strong communities.** (page 2)

**...jobs, good jobs.** (page 9)

**...supporting Indiana businesses.** (page 10)

**...attracting businesses, large and small.** (page 13)

**...bringing commerce back to Main Street.** (page 14)

**...partnerships with Hoosier communities.** (page 17)

**...a better quality of life.** (page 18)

**...cooperation and collaboration.** (page 21)

**...working globally.** (page 23)

**A**S 1997 DREW TO A CLOSE, THE CITIZENS OF INDIANA COULD ONLY

MARVEL AT THE STRONG ECONOMIC CONDITION OF THE STATE. A RECORD-LOW

UNEMPLOYMENT LEVEL MEANT MORE PEOPLE THAN EVER BEFORE WERE

WORKING. THE MEDIAN HOUSEHOLD INCOME WAS 9 PERCENT HIGHER THAN THE

PREVIOUS YEAR, ONE OF THE BEST INCREASES IN THE UNITED STATES. THE WELFARE

CASELOAD WAS AT ITS LOWEST LEVEL IN 26 YEARS. DOZENS OF INDIANA COMPANIES

ANNOUNCED MAJOR EXPANSIONS THAT RESULTED IN MORE JOBS AND BETTER WAGES FOR

WORKERS, AND INDIANA PREPARED TO ENTER ITS 10TH STRAIGHT YEAR WITHOUT A TAX

INCREASE. ■ 1997 WAS A GOOD YEAR FOR OUR STATE.

THE FOLLOWING PAGES WILL SHOW HOW THE INDIANA

DEPARTMENT OF COMMERCE PLAYED A ROLE IN THAT SUCCESS.



## It's about...developing strong communities.

Lt. Gov. Joe Kernan talks about the vital partnerships that are at the heart of economic development. State and local governments join with Hoosier businesses to create opportunities in every Indiana community.

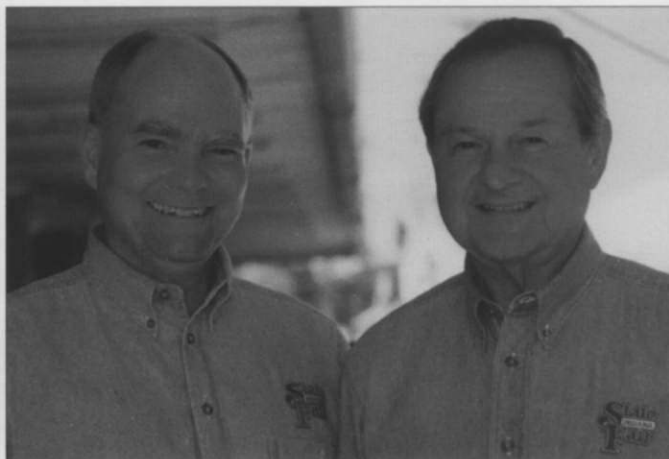
**W**e live in a rapidly changing, highly competitive business environment. People engaged in successful enterprises understand that adapting to the marketplace is no longer a periodic exercise. It is a

constant one. Improved technology continues to revolutionize manufacturing, communication and transportation. The goods and services businesses produce are no longer just competing in a local or regional marketplace. The competition is global.

What can be said of business is also true of government. Not only does Indiana compete with other states for good jobs, we compete worldwide. Japan makes steel. China manufactures auto parts. Germany develops pharmaceutical products. Sweden assembles trucks, and Mexico processes agricultural goods.

Our job is to show the world that Indiana is the best place to live and to grow a business. To do that, we must create, develop and maintain a superior work environment that attracts businesses and creates jobs. What constitutes a desirable business environment? A low tax burden, combined with all the elements we have in abundance—affordable land, excellent transportation networks, skilled workers, quality communities and affordable energy. We must build, maintain and constantly improve our business locations to ensure an enduring and expanding economy.

Though most of Commerce's support will continue to go to existing Indiana businesses, we are fully



**Lt. Gov. Joe Kernan and Governor Frank O'Bannon**

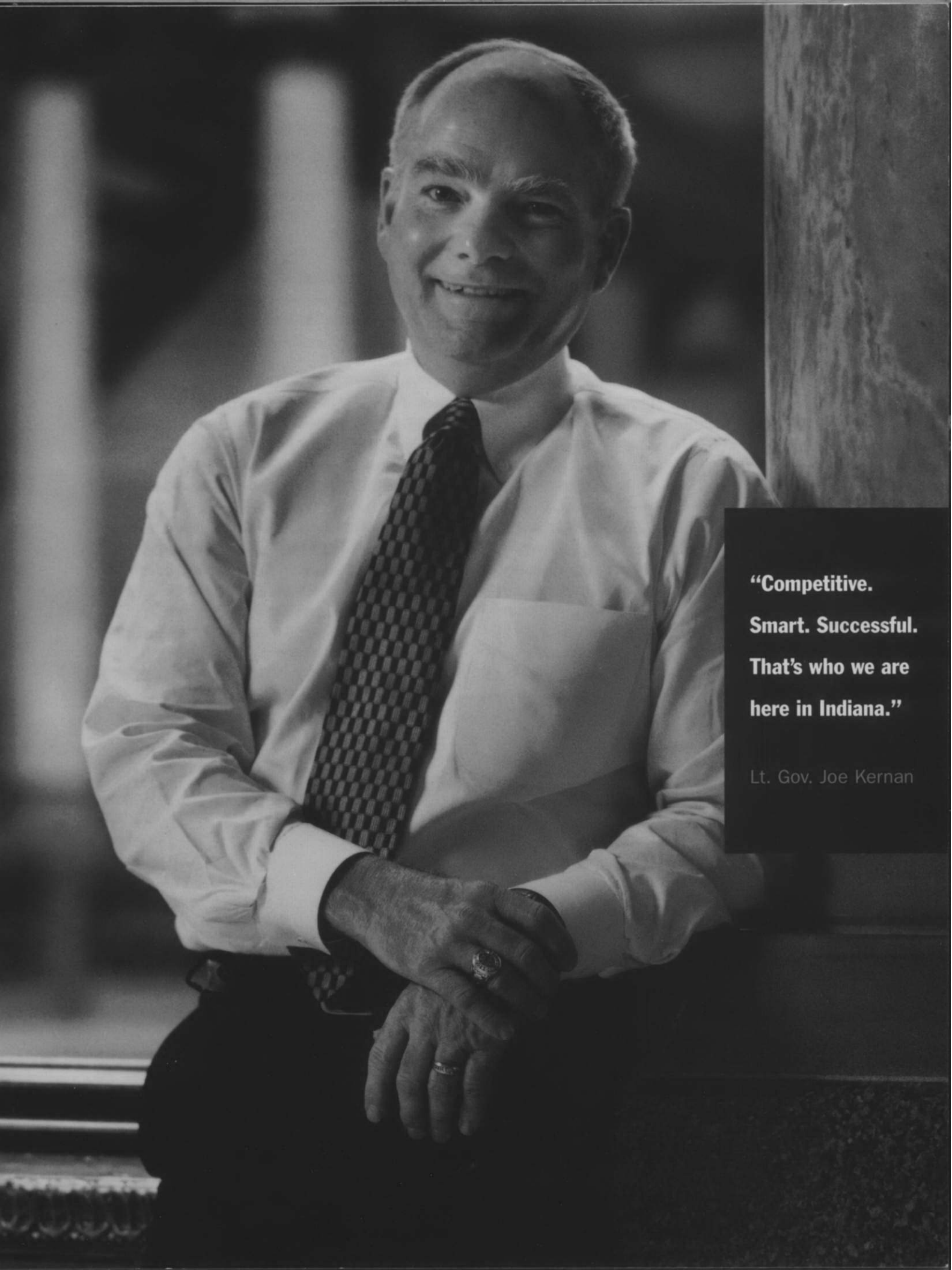
engaged in global competition as well. A critical component of our current success, as well as our future performance, is maintaining Indiana as a world-class business location and an exporter of quality goods and services. The purpose of this

1997 *Annual Report* is to show what we've done in the past year and how we plan to approach 1998 and beyond.

**Indiana is committed to excellence.** Indiana has more than met the challenges of rapid technological change and globalization. In recent years, we have attracted some of the nation's most coveted business projects—United Airlines, Toyota and A.K. Steel. Not only did they draw worldwide attention to Indiana as a business location, they also created 9,000 new, high-paying jobs, and the economic impact is even greater. For example, hundreds of additional new jobs will be created by auto suppliers who have located or will locate in Indiana to be near Toyota's new facility in Gibson County.

1997 was another banner year for Indiana. Commerce's Business Development Division and Development Finance Division helped more than 200 companies locate or expand in Indiana. Together, these companies will create a projected 10,000 new jobs and bring new technical skills to 44,000 Indiana workers. Commerce efforts resulted in more than \$2 billion in projected private investment by our business partners.

Indiana had another record-breaking year in export growth, topping \$13 billion in sales. Indiana exports

A black and white photograph of a middle-aged man with a receding hairline, smiling at the camera. He is wearing a light-colored, long-sleeved button-down shirt and a dark tie with a small, repeating geometric pattern. He is holding a large, blank white sheet of paper in front of his chest with both hands. His left hand has a ring on the ring finger, and his right hand has a ring on the middle finger. He is standing in front of a blurred background that appears to be an interior space with vertical architectural elements. On the right side of the image, there is a dark rectangular box containing white text.

**"Competitive.  
Smart. Successful.  
That's who we are  
here in Indiana."**

Lt. Gov. Joe Kernan



continue to climb dramatically as our International Trade Division and the state's nine foreign trade offices assist Hoosier companies in improving and expanding their sales worldwide.

Locally, our Community Development Division has worked with hundreds of communities throughout Indiana, creating partnerships to build their individual economic development capacity.

We work with local governments to improve wastewater systems, create senior-citizen and day-care facilities, revitalize downtowns, and build the quality of life and infrastructure that attract new development opportunities. We work with communities to create enterprise zones that offer businesses incentives to locate in economically hard-hit areas. We help revitalize neighborhoods with job training, housing initiatives, tax credits and grants.

In 1997, our Enterprise Zone program worked directly with 1,680 businesses. We serviced 86 neighborhood organizations in 52 counties through our Neighborhood Assistance Program, and 49 groups in 59 counties through our Community Development Action Grant program. These three programs are just a part of the division's work—work that is crucial to create the desirable business environments so

essential to job growth and quality of life.

Quality of life is also a major concern of Commerce's Energy Policy Division. Programs that promote energy efficiency and recycling result in pollution reduction and waste prevention. In addition, the bottom-line benefit to the state's recycling firms, fuel producers, housing manufacturers and industry from increased energy efficiency is lower operating costs. Energy efficiency comes home to the Hoosier family as well, through reduced energy costs and cleaner air and water. An active, aggressive policy on energy as an economic development tool gives Indiana a competitive edge by helping existing businesses expand and by attracting new companies.

1997 was also a great year for Indiana tourism, with visitor spending approaching a record \$6 billion. Commerce's Tourism and Film Development Division

works to expand an industry that not only provides 120,000 jobs, but also promotes the Hoosier state as a desirable place to visit, as well as live and work. We also assisted in the production of several feature films in Indiana, which brought a total of \$1.1 million in revenue to local communities.

**The world has discovered Indiana.** Indiana is a premier destination for businesses across the nation and throughout the world, thanks in part to our excellent manufacturing reputation. Here are just a few examples.

We continue to produce more steel than any other state, providing 22 percent of the nation's raw steel production. In fact, if Indiana were a nation, it would be the fifth-largest steel producer in the world. In the metals industry, Indiana welcomed Paragon Steel, Superior Aluminum Alloys, SPX Contech and Vogt Valve in 1997.

Indiana is first in many transportation-related manufacturing categories. A partial list includes engine electrical equipment, vehicular lighting, electrical coils and transformers, and truck and bus bodies. In 1997, large Indiana-based firms owned by Chrysler and Ford expanded their facilities, and Molex opened a new facility in Mooresville. In addition, new international alliances added Austin Tri-Hawk, Freudenburg-NOK, Tokai Rika and Hisada Kogyosho/Marubeni to our state.

Another important sector of the Indiana economy is the insurance and financial services industry, which employs more than 5 percent of Indiana workers. Some of the nation's most prominent insurance companies—Conseco, Anthem, American United Life, and Lincoln National, to name a few—call Indiana home. In fact, American United Life's facility in Indianapolis, founded in 1877, is the oldest mutual life insurance company in the country.

In plastics alone, Indiana has 526 facilities. It is a powerful and growing segment of our increasingly diverse economy. Last October, Commerce teamed with the Mid-America Plastics Partners, Inc. to host a special conference and trade fair focusing on the needs of Indiana's plastics industry and creating opportunities to attract new firms to our state.

Reaching out to the rest of the United States and the rest of the world is an important part of our business strategy. In 1997, a Chinese trade delegation visited Indiana to celebrate the 10th anniversary of the sister-state agreement between Indiana and the province of Zhejiang.

Commerce also led a delegation of state, community and economic development leaders on an investment mission to Japan and Taiwan to promote our exceptional

**Our job is to show  
the world that  
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business climate. Japanese and Taiwanese investment is important to Indiana because it enhances our employment mix of manufacturing, commercial and service businesses.

With the opening of a Brazilian trade office in 1997, Indiana ranks third in the number of foreign trade offices in the nation. The Brazil office is also our second multi-state trade office. Joining forces with Wisconsin, Ohio and Pennsylvania, we are able to better serve our businesses and increase their sales opportunities throughout South America.

Last year, Indiana conducted a health summit that brought Argentina's ambassador and top-ranking health official to Indianapolis. That summit, like many others we've hosted, was designed to bring together the public and private sectors to enhance business opportunities in the health and medical fields.

The global nature of our businesses drew the health summit to Indiana. Our state is one of the nation's leading producers of pharmaceuticals and medical instruments. Innovative global companies such as Miles Laboratories, Eli Lilly & Co. and Cook Inc. have created milestones in the industry. In fact, Miles Laboratories invented Alka-Seltzer® in Elkhart in 1931.

These kinds of activities are part of a continuing effort by Commerce to strengthen all categories of business enterprise through international trade and investment. We must reach beyond our borders to

create new relationships, new partnerships and new economic development opportunities.

**Partnerships are how we work in Indiana.** It's a sound plan. So how did we do it? "We" is the key. No one entity can do it alone. Certainly government can't. Partnerships are how we work. Commerce is part of a strategic alliance—a network of individuals, businesses, educational institutions, and public and private organizations formed to maximize Indiana's business potential.

Let's start with economic development. Commerce works with a number of agencies and organizations that support overall economic development in Indiana:

- Office of the Commissioner of Agriculture works with Purdue University and farming and value-added agricultural enterprises.
- Indiana Business Modernization & Technology Corp. helps manufacturers improve production processes and quality.
- Indiana Small Business Development Corp. counsels small companies on ways to build profits and achieve growth with special programs for women, minorities and those who want to contract with the government.
- Indiana Development Finance Authority approves bond issuance on behalf of companies and bridges the gap for near-bankable loans to small businesses throughout the state.

## INDIANA DIRECT EXPORTS

### YEAR

1997	\$13.1 billion
1996	\$12 billion
1995	\$11.63 billion
1994	\$9.26 billion
1993	\$8.03 billion
1992	\$6.84 billion
1991	\$6.44 billion
1990	\$6.36 billion
1989	\$5.41 billion
1988	\$4.76 billion

DOLLARS

- Indiana Port Authority manages the state's three full-service ports and actively participates in the state's business attraction and retention efforts.
- Indiana Economic Development Council provides the state with strategic planning and research.
- Indiana Housing Finance Authority strengthens communities by ensuring that middle- and lower-income workers have quality housing.
- Indiana Labor-Management Council enhances the collaboration between labor and management to optimize the competitiveness of Indiana companies.
- Local economic development professionals and local elected officials lead economic development priorities and partner with Commerce to attract new businesses and work with existing Indiana companies.
- Indiana's colleges and universities devote research

resources, provide technical assistance, and are highly involved with workforce development and addressing the needs of local employers.

Working with this network of highly skilled professionals gives the state a decided advantage. After all, the world is becoming increasingly diverse and more and more specialized. Through this association, we encourage the growth of a wide variety of firms, from small entrepreneurial

enterprises to huge multi-national corporations.

Another example of Indiana partnership at work is our success at hosting the 1997 International Development Research Council (IDRC) Spring World Congress. Working with a consortium of Indiana corporations, economic development organizations and the City of Indianapolis, we showcased our state to a critical audience of 1,500 corporate executives responsible for their firms' site-selection decisions.

In his 1997 State of the State Address, Governor O'Bannon asked me to review all job-retention and job-creation efforts under way on behalf of Hoosier families. In June, we created the Jobs Council, bringing together elected officials, business leaders, local economic development professionals, union representatives and a host of others from throughout the state. Our goal? To

improve the state's economic development program by building on the strong foundation of our past success. These 75 men and women are on the front line of Indiana's business development initiatives. Their unique hands-on perspective is vital to our long-term success.

In Commerce, we look to the power of collaboration. We bring people and organizations together at the grass-roots level to get things done. Just as we benefited from the Jobs Council process, we are also gaining advantages from the newly formed Tourism Council. In 1997, we convened a 33-member board, responding to local concerns and tapping into the expertise and imagination of people directly engaged in the tourism and hospitality industries throughout Indiana.

Our Community Development Division is based on a broad range of partnerships, from the federal government to local communities. Utilizing the best of public-private partnerships, the division's activities are focused entirely on cooperative programs with local not-for-profit groups, businesses, individuals and government.

Established in 1991, our Market Indiana program continues to thrive through partnerships with the private sector. Our Marketing and Communications Division is able to leverage private-sector dollars with state-appropriated funds to put into motion aggressive advertising programs, trade show programs and special events to promote Indiana as a premier state in which to locate and expand a business.

#### **Targeted, responsible action sets the tone for the future.**

The quality of life of our Hoosier families depends on our state's ability to prepare its citizens and communities for the needs of the marketplace and to invest in clean technologies and ways to protect our natural resources.

One clear example is U.S. Gypsum. Last year, we announced that U.S. Gypsum would expand in Indiana and build its new \$90 million wallboard-manufacturing facility in East Chicago. The company's manufacturing process utilizes synthetic gypsum, a by-product of emissions from coal-powered electric generation plants. The process actually reduces the amount of material deposited in landfills. In addition to that environmental benefit, the company also uses recycled paper as the covering for the wallboard. U.S. Gypsum brings to Indiana not only a positive economic impact, but a positive environmental impact as well.

Superior Aluminum Alloy, which broke ground in July 1997, is another great example. Its 191 new workers will not only add to the economy of Allen County, they also will participate in a recycling process that converts

**We bring people  
and organizations  
together at the  
grass-roots level  
to get things done.**



scrap metals into usable aluminum products. Increasingly, Indiana is the home of businesses that are not just environmentally neutral, but environmentally helpful.

We are also seeing a real growth in better-paying, more highly skilled jobs in Indiana. Visteon Automotive Systems, a Ford enterprise, chose Connersville as the site for the manufacture of a new product line of scroll compressors for many of Ford's upscale vehicles. This represents an investment of \$111 million in a facility using the latest technology, and provides skilled labor wages for as many as 250 new employees. Covance, a biopharmaceutical clinical drug development firm in Indianapolis, will invest \$21 million and create 300 new jobs as part of an Indianapolis expansion that demands highly skilled workers.

These are only a few examples of the kinds of new businesses and expansions our state is attracting. Not only are high-tech industries discovering Indiana at an ever-increasing rate, but existing Indiana businesses are also upgrading their own systems and procedures, heightening the demand for qualified employees. Preparing workers for the skills required in an increasingly technological global economy is one of Indiana's top priorities. The companies and the people who work for them must be able to adapt to the evolving nature of world business. And by preparing them, we implement a positive cycle of growth. Educating the state's workforce then enhances our chances to attract more new, high-quality jobs.

Indiana has a number of programs to help businesses, large and small. One of the most important is the Training 2000 program. In 1997, Commerce contributed to the training of more than 50,000 Hoosier workers. Training 2000 helped them gain the skills to be more productive at work and to remain competitive in the job market for years to come.

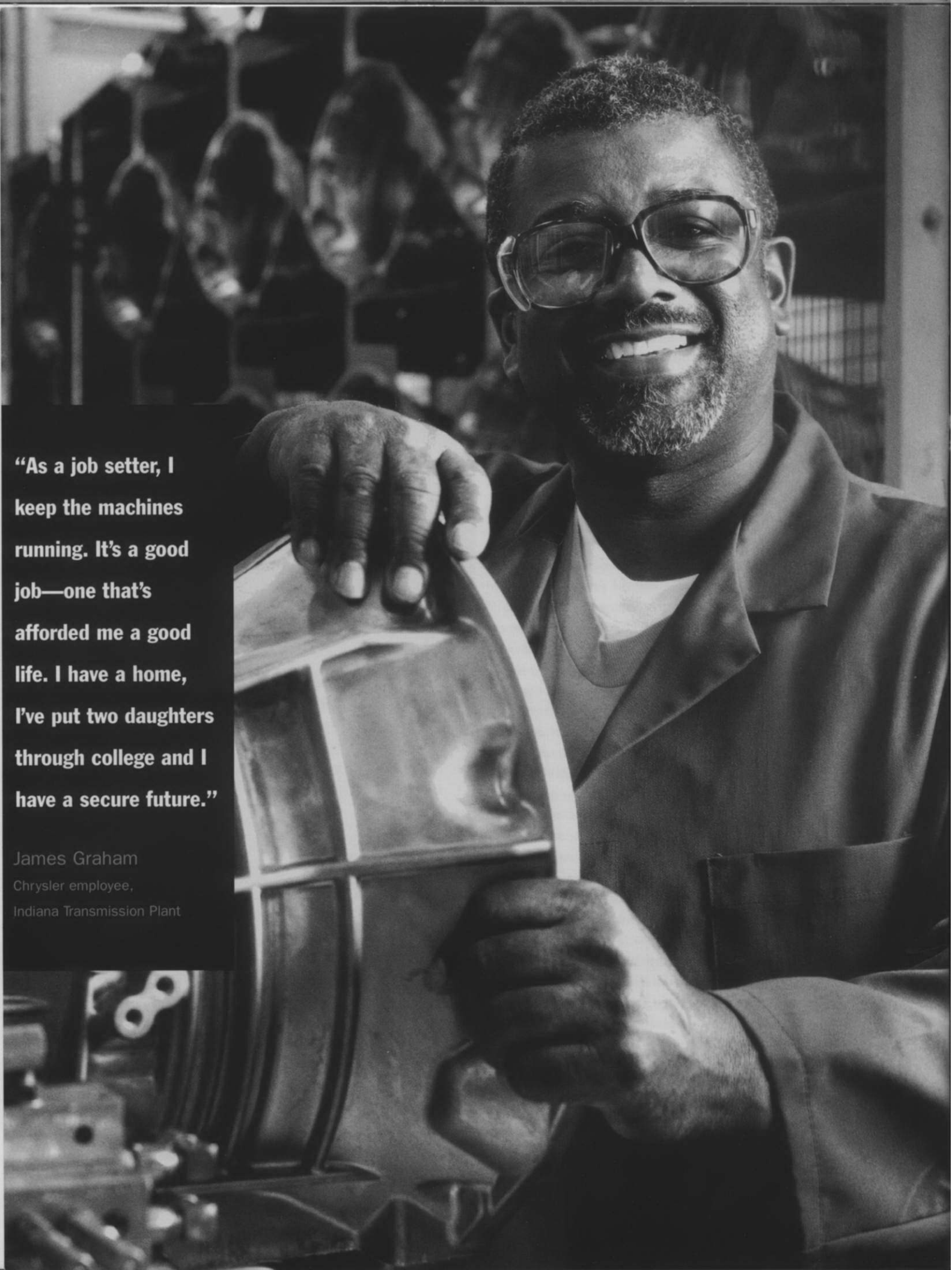
Other programs and partnerships that help build a more educated and highly skilled work force include Indiana's successful Welfare to Work program. In December 1997, Commerce joined with Indiana's Family and Social Services Administration, Department of Workforce Development and the national Welfare to Work Partnership to host the Welfare to Work Indiana State Challenge Conference. More than 800 people—representing business, government and community service agencies from every corner of the state—attended the event to seek creative solutions to workforce challenges. Indiana has already been recognized as a national leader in welfare reform, reducing its welfare caseload from 69,000 in January 1993 to fewer than 39,000 by December 1997.

**We are building on a strong foundation.** Governor Frank O'Bannon, who served as lieutenant governor for the previous eight years, has provided a solid foundation on which to build. New jobs, record exports, growing communities and increased tourism are all indicators of a solid economy.

My first year as lieutenant governor has been an exciting one. We were able to sustain our level of success, forge new partnerships and examine new ways of doing business. I appreciate the opportunities our partners have provided. I look forward to accepting the challenges of building stronger communities throughout Indiana and securing a brighter future for all our citizens.

#### 1 9 9 7 H I G H L I G H T S

- *Site Selection* magazine named Indiana's business climate as one of the 10 best in the nation.
- *Fortune* magazine chose Indianapolis as one of the 10 best markets for business.
- Combined, Indiana's state agencies received \$65.1 million for economic development from the General Fund, 37 percent more than four years ago. Ninety-four percent of those funds were applied to existing Indiana businesses.
- Commerce provided \$13.5 million for 212 economic development projects that resulted in approximately 10,000 new jobs and retraining for 44,000 existing Indiana workers. Approximately 70 percent of those funds were dedicated to training, and 30 percent of the funds were dedicated to infrastructure grants.
- Commerce spent an average of \$252 per job on economic development projects and leveraged \$2.1 billion in private investments, or \$155 for every \$1 spent.
- Seventy percent of Commerce business development funds went to existing Indiana businesses.
- Commerce provided nearly \$4.2 million to Indiana communities for infrastructure improvements to support business-expansion and -attraction projects.
- Commerce invested \$25.5 million in infrastructure improvements that better prepare Indiana communities for economic opportunities.
- Indiana's median household income rose from \$47,465 in 1995 to \$52,962 in 1996, one of the greatest increases in the nation.



**“As a job setter, I keep the machines running. It’s a good job—one that’s afforded me a good life. I have a home, I’ve put two daughters through college and I have a secure future.”**

James Graham  
Chrysler employee,  
Indiana Transmission Plant

## It's about...jobs, good jobs.

Like the growing rings that result from a pebble dropped in water, the ripple effect from Chrysler Corporation investments in Kokomo will spread throughout the community and the state. In fact, the addition of 784 new jobs makes not a ripple, but a huge economic splash.

**C**hrysler made two big Indiana commitments in 1997: a \$477 million investment to modernize its Kokomo Transmission Plant and Kokomo Casting Plant, and the hiring of 784 additional workers in the Kokomo area. These kinds of investments translate into good jobs for workers who spend, save and invest their money in Indiana. To help Chrysler expand and modernize, the Indiana Department of Commerce provided a \$750,000 training grant in 1997—a direct investment by the state into helping Hoosiers upgrade the skills they need to get and keep these good jobs.

But these 1997 announcements were only the latest in a series of partnerships among Chrysler, the state of Indiana and Hoosier workers. In 1995, Chrysler decided to build a new \$1 billion transmission plant—called the Indiana Transmission Plant—in Kokomo. Construction of the facility was completed in 1997. The new plant, which eventually will employ about 1,500 Hoosiers, recently began producing transmissions for Jeeps and trucks. Some of the employees will learn new job skills through \$2 million in job training funds from the State.

"Since the 1950s, Kokomo, Chrysler and the people of Indiana have enjoyed a highly successful partnership," said Joe LaManna, manager of the new Indiana Transmission Plant in Kokomo. "The new jobs we're creating, plus the billions of dollars we've invested here, show Chrysler's continued commitment to the Kokomo area and its hard-working people."

### INDIANA KEY ACHIEVEMENTS

- The Economic Development for a Growing Economy (EDGE) program provided nearly \$11.8 million in tax credits to seven new and expanding businesses, creating more than 1,400 new jobs.
- General Electric announced that it would hire 240 workers and retrain 2,885 more as part of a \$28.7 million expansion at its refrigeration manufacturing facility in Bloomington.
- Accuride announced that it would hire 60 new workers and retrain 235 existing workers as part of a \$1.3 million expansion at its South Bend plant.
- Edy's Ice Cream began a \$13.9 million expansion at its Fort Wayne plant that will result in 15 new hires and the retraining of 219 workers.
- Crown Equipment announced an \$8.9 million expansion that will create 200 jobs at its Greencastle plant.
- Japanese-owned Tokai Rika announced a \$3 million automotive electronic switch plant in Ashley, creating 207 new jobs.
- Superior Aluminum Alloys, which specializes in recycling scrap ferrous and nonferrous metal, announced plans to hire 191 workers for its new \$13.7 million smelting operation in New Haven.
- Bowne & Co., the world's largest printer of financial forms, announced construction of a new \$20 million facility in South Bend that will create 130 new jobs.
- Two companies, Pep Boys and CSI, announced plans to build distribution facilities in Indiana, creating almost 500 jobs. Both companies made commitments to hire welfare recipients.

## It's about...supporting Indiana businesses.

It's long been known that a company's best source of new revenue is its current clients. Likewise, a state's best source of job growth is the expansion of companies already operating within its borders. A perfect example is Covance, a pharmaceutical research and development company that does business around the world from its Indiana home.

**C**ovance opened its doors in Indianapolis in 1986 under the name SciCor. The company develops and conducts clinical research studies for pharmaceutical firms seeking FDA approval of new drugs.

Covance has generated an ever-increasing global demand for its services—a demand that has translated into 650 Hoosier jobs. As that growth continued, the company saw a need to expand its facilities and add 300 new employees.

That expansion is now becoming a reality, thanks in part to an Indiana Department of Commerce assistance package that includes a \$125,000 Training 2000 grant and EDGE tax credits of up to \$2.7 million.

"This expansion will help us meet the growing demand for our services," said Richard Andrews, corporate senior vice president and group vice president of Covance Central Laboratory Services. "We're proud to create jobs in a state that works hard for its existing businesses."

### INDIANA KEY ACHIEVEMENTS

- Commerce awarded \$9.3 million in Training 2000 grants to companies that expanded their facilities or opened plants in Indiana.
- Commerce's Training 2000 grants supported retraining for a projected 44,000 Indiana workers.
- Commerce awarded nearly \$3 million in Economic Development for a Growing Economy (EDGE) tax credits to existing Indiana firms.
- Visteon, an enterprise of Ford Motor Corp., announced a \$111 million expansion that will mean 256 new jobs at its Connersville scroll compressor plant, and retraining for 3,585 existing workers.
- INTAT announced it will add 98 jobs and retrain 57 workers as part of a \$108 million expansion at its foundry and auto parts plant in Rushville.
- U.S. Gypsum in East Chicago announced plans to build a \$90 million plant that recycles synthetic gypsum into wallboard.
- Pillsbury announced a \$52.3 million expansion that will add 45 workers and retrain 150 people at its New Albany facility, which produces refrigerated baked goods.
- Lincoln Food Service in Fort Wayne invested \$10.7 million in an expansion that will result in 315 new jobs and retraining for 424 employees.
- Commerce awarded \$2.48 million in Small Business Energy Initiative Grants to 58 companies.
- Commerce presented Half Century Awards to 58 companies and Century Awards to 19 companies. The awards honor Indiana companies that have been in business for 50 or 100 years and have a history of community service.






**"We're proud of the work we do to help fight disease and save lives. We constantly upgrade our skills and knowledge so that we here in Indiana can provide the best possible service to our clients around the world."**

Loc Nguyen  
Project manager,  
customer services,  
Covance Central Laboratory  
Services, Inc.





**"PYA/Monarch's  
decision to open a  
distribution center in  
Bloomington reflects  
the confidence that  
companies have in  
Indiana as a good  
place to do business."**

Linda Williamson  
Executive Director,  
Bloomington Economic  
Development Corp.

## It's about...attracting businesses, large and small.

In May 1997, PYA/Monarch announced that Bloomington was a finalist for its new Midwest distribution center. The South Carolina-based company, a wholly owned subsidiary of Sara Lee, distributes food products to chain restaurants, and it needed a facility to better serve its growing customer base in 12 nearby states.

**B**loomington was competing against Champaign, Ill., for the \$24 million facility. On the line: 365 jobs at an average wage of \$14.58 per hour by the end of 1999.

The Bloomington Economic Development Corp. needed an incentive package that would persuade the \$2.5 billion company to choose Bloomington over Champaign. So it called on the City of Bloomington, Monroe County and the Indiana Department of Commerce for help.

Together, the group created an incentive package totaling more than \$2.9 million. The city and county's portion included \$1.12 million in training grants, infrastructure improvements and tax abatements. The State's investment included a \$175,000 training grant, a \$133,000 infrastructure grant and EDGE tax credits of up to \$1.44 million.

"At every level of government—city, county and state—people worked to make certain this was an aggressive yet appropriate proposal," said Linda Williamson, executive director of the Bloomington EDC. "It was a true partnership that made a bottom-line difference for the people in our community."

### INDIANA KEY ACHIEVEMENTS

- The Economic Development for a Growing Economy (EDGE) program provided nearly \$8.8 million in tax credits to new businesses locating in Indiana.
- Commerce assisted in the opening of 25 new facilities, which created a projected 2,200 jobs.
- The 1997 Indiana World Congress showcased the state to more than 1,500 real estate executives and site selectors from around the world.
- Vogt Valve announced plans to build its new \$36 million forged-steel valve and fitting plant in Jeffersonville and to hire 237 workers at the new plant.
- Walker Manufacturing announced plans for a new \$30 million auto parts facility in Elkhart that will employ 167 workers.
- Austin Tri-Hawk plans to build its \$17.3 million auto stamping and assemblies plant in Austin—creating 80 new jobs.
- Freudenburg-NOK said it would build a \$13 million plant in Ligonier. The plant will hire 82 workers.
- Stride Rite announced that it will build its new \$7.2 million children's shoe distribution center in Huntington. The distribution center will employ 119 Hoosiers.
- Paragon Steel announced plans to construct a \$4 million plant in Butler that will create 37 new jobs.
- Commerce's "Market Indiana" program attracted 675 new business prospects.

## It's about...bringing commerce back to Main Street.

When Robert Lake needed more space for his magazine fulfillment and printing business, he moved to a 104-year-old building in Michigan City's Main Street District, just two blocks from the spot where his grandfather originally started the company in 1948.

Lake's decision to locate downtown pleased the public-private coalition that's working to reclaim the Main Street District as the hub of civic and commercial life in this lakefront community.

For many years, Michigan City's Main Street District suffered the plight of many downtowns: businesses—and their customers—fled to suburban malls and office complexes, leaving behind desolate streets, deteriorating buildings and boarded-up windows. A \$4 million investment in the downtown's infrastructure a few years ago improved the area's looks, but failed to attract new business.

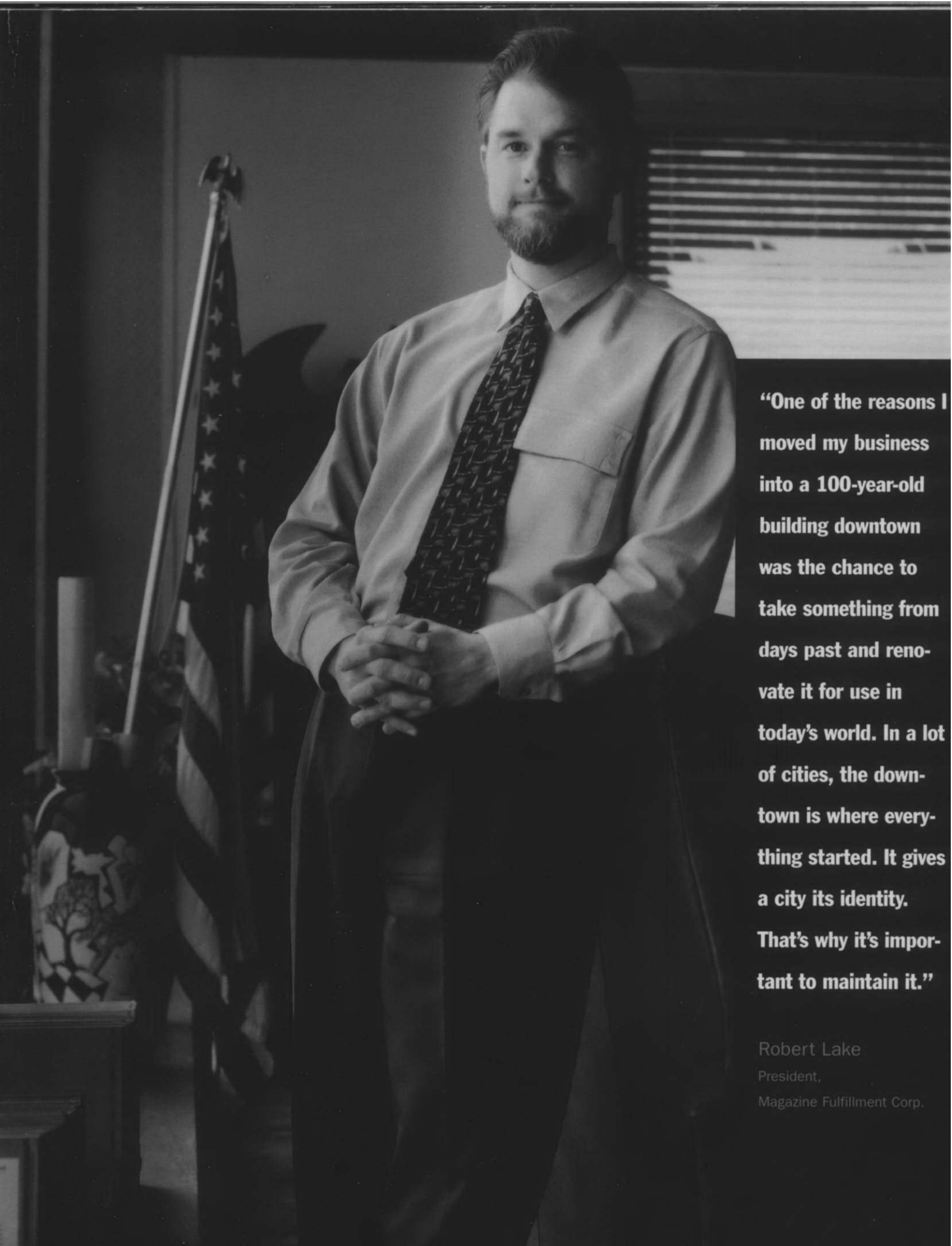
Last year, Mayor Sheila Brillson appointed one of her employees to coordinate the coalition's efforts. She beefed up police patrols, trash pickup and other municipal services in the Main Street District. She also called upon the Department of Commerce's Main Street Program for guidance. After visiting Michigan City, Main Street staff members recommended ways to attract business, improve parking, increase residential development and create events to draw people downtown.

Although Michigan City is in the early stages of its downtown revitalization, the Main Street District already boasts a new beauty salon, an art gallery and a five-star European restaurant. And businesses such as Lake's are moving into and renovating formerly vacant storefronts and office buildings.

"The changes we've made have resulted in a marked increase in new Main Street members and financial support from the business community," Mayor Brillson said. "The excitement is contagious."

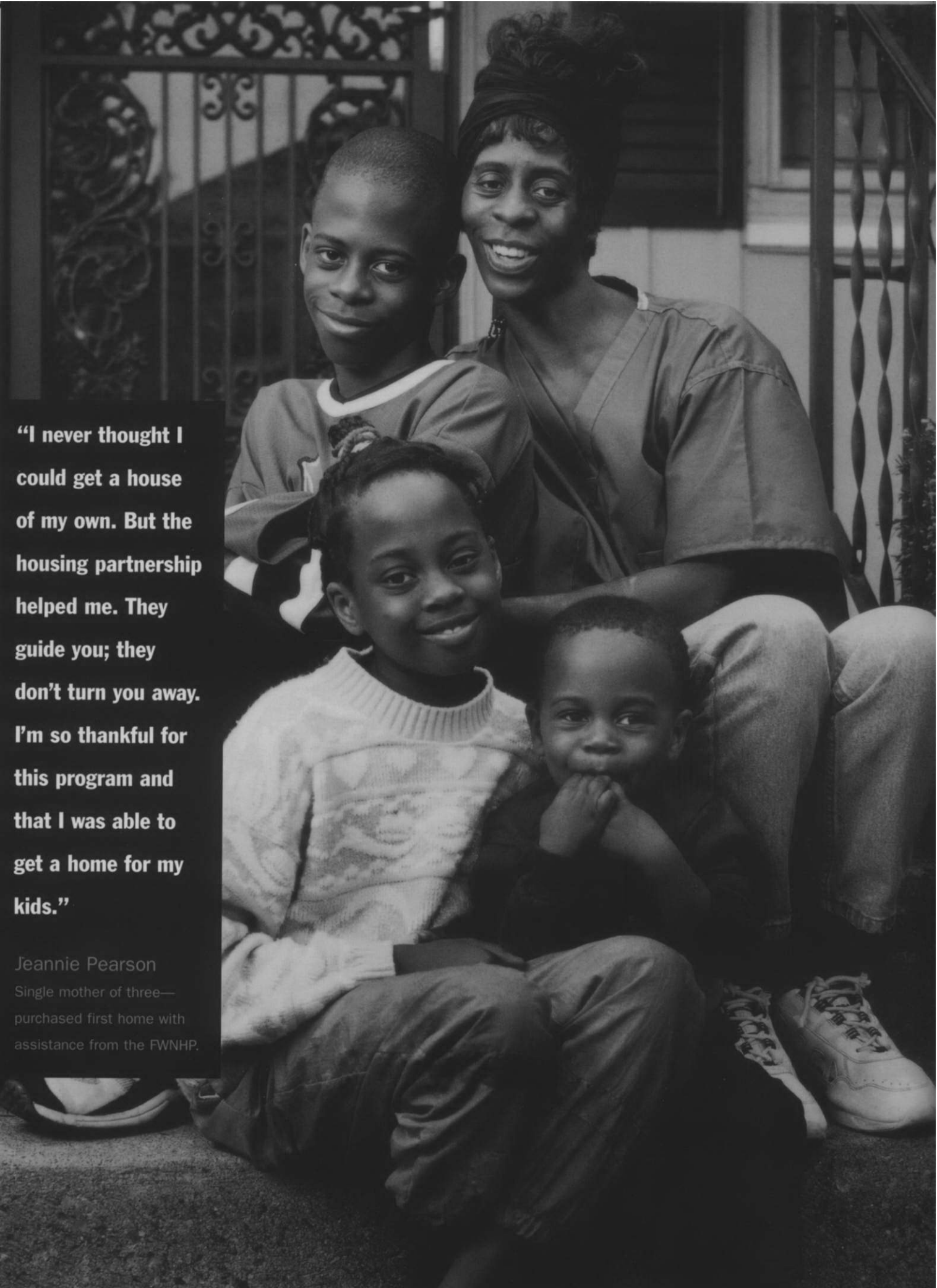
### INDIANA KEY ACHIEVEMENTS

- The Main Street Program generated more than \$161 million in private investments and \$37 million in public investments for Indiana communities.
- The Main Street Program helped five Indiana communities receive federal rehabilitation tax credits.
- The Main Street Program helped create more than 2,300 new jobs.
- The Main Street Program attracted 118 new businesses to, and initiated 18 new construction projects in, Indiana downtown locations.
- The Main Street Program helped initiate 113 facade rehabilitations and 146 other building rehabilitations.
- Through the Community Development Division, Commerce awarded almost \$1.5 million in grants to help communities plan for major infrastructure improvement projects, economic development strategies and downtown revitalization initiatives.



**"One of the reasons I moved my business into a 100-year-old building downtown was the chance to take something from days past and renovate it for use in today's world. In a lot of cities, the downtown is where everything started. It gives a city its identity. That's why it's important to maintain it."**

Robert Lake  
President,  
Magazine Fulfillment Corp.



**"I never thought I could get a house of my own. But the housing partnership helped me. They guide you; they don't turn you away. I'm so thankful for this program and that I was able to get a home for my kids."**

Jeannie Pearson  
Single mother of three—  
purchased first home with  
assistance from the FWNHP.



## It's about...partnerships with Hoosier communities.

Not long ago, homeownership was nothing more than a dream for Jeannie Pearson. The single mother of three simply couldn't save the money needed for a down payment. Last year, however, Jeannie's dream became a reality, thanks to the Fort Wayne Neighborhood Housing Partnership.

**T**he Partnership, a neighborhood redevelopment organization serving Fort Wayne's southeast side, has received financial support from many groups—including the Indiana Department of Commerce—for several years.

In 1997, in an effort to expand its base of support, the Partnership created the Suelzer Memorial Fund, whose donors benefit from tax credits through the State's Neighborhood Assistance Program. The memorial fund helps provide below-market-value mortgages with 100 percent financing—no down payments required—to people who otherwise couldn't afford home ownership.

The mortgage program is just one way the Partnership has helped this lower-income neighborhood improve its economic viability during the past six years. Working with neighborhood associations and city government, the Partnership has helped reduce crime in the neighborhood by 45 percent, increase property values by 50 percent, and create near-full occupancy in formerly vacant office buildings.

"We are a neighborhood redevelopment organization that uses housing as a catalyst for change," said Executive Director John Lehner. "We see ourselves in the long term as changing the cycle of life for the families we touch."

From her new front porch, Jeannie Pearson couldn't agree more.

### INDIANA KEY ACHIEVEMENTS

- Commerce leveraged \$17 million in private donations for 86 organizations by issuing \$2.5 million in tax credits through the Neighborhood Assistance Program.
- Sixty-six small communities received nearly \$25.5 million from the Community Focus Fund to help with long-term development projects.
- Commerce awarded 49 Community Development Action Grants totaling almost \$1.8 million to economic development organizations.
- Twenty-one enterprise zones are established in Indiana. In 1997, approximately 1,700 businesses were located in enterprise zones. Combined, these businesses employed 69,000 people and created nearly 3,000 new jobs.
- Indiana established a new enterprise zone at Fort Benjamin Harrison in Indianapolis in December 1997.
- Thirty-five schools and not-for-profit organizations received playground resurfacing grants to utilize crumb rubber in play areas.
- Forty-eight organizations received almost \$240,000 from the State's Tourism Information and Promotion Fund to help finance projects that promote local areas as travel destinations.

## It's about...a better quality of life.

The residents of Evansville are breathing a little easier these days. Their community has been designated Indiana's first "Clean City" by the U.S. Department of Energy for its plan to promote the use of alternative fuels as a way to improve air quality.

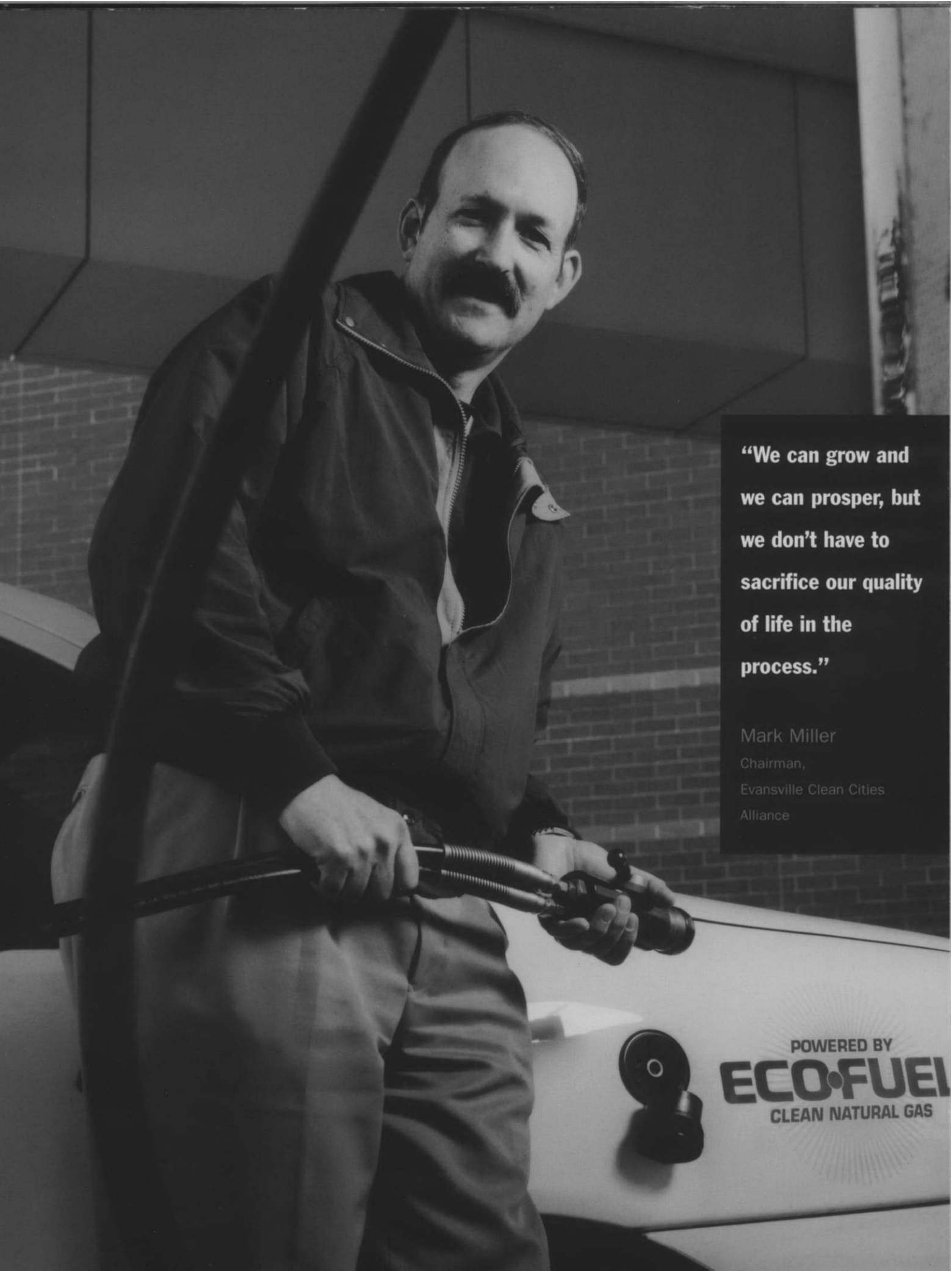
In the past, many people thought the economic growth of a community had to be at odds with environmental interests. But as leaders in Evansville are demonstrating, air quality is one of several factors that affect a community's overall quality of life.

The Evansville Clean Cities Alliance, a partnership of public officials and private businesses, developed the alternative fuels plan to reduce the amount of pollutants in the air. The Indiana Department of Commerce supported this initiative by helping the ECCA secure a State Energy Program grant, which will help fund infrastructure, public education efforts and vehicle conversions.

"All businesses, large and small can receive grants from the state to purchase alternatively fueled vehicles or to convert gasoline-only cars to AFVs," said Mark Miller, chairman of the Evansville Clean Cities Alliance. "This kind of support will make a big difference as we implement our program in Evansville."

### INDIANA KEY ACHIEVEMENTS

- *Plants Sites & Parks* magazine said Bloomington was among the 15 metropolitan areas with the greatest number of advanced-degree graduates and four-year college graduates in the nation.
- The National Education Goals Panel announced that Indiana was among the five states that have made the most progress in math and science skills.
- The Home Builders' Opportunity Index, published by the National Association of Home Builders, ranked Kokomo as the nation's most affordable housing market.
- Of major U.S. cities reporting cost of living index, seven Indiana cities are below the median: Muncie, Indianapolis, Evansville, Elkhart, Anderson, South Bend and Fort Wayne.
- At 74 percent, the homeownership rate for Hoosiers was the fifth highest in the United States.
- Indiana hosted the fourth national Sunrayce solar-powered collegiate car championship.
- The State provided \$750,000 in zero-interest loans to Indiana firms through its Industrial Energy Efficiency Fund.
- \$1.7 million was awarded to companies turning recyclable materials into feedstock or manufacturing products.
- Working in partnership with Ivy Tech State College, Commerce provided efficiency evaluations of 2,300 vehicles.



**"We can grow and  
we can prosper, but  
we don't have to  
sacrifice our quality  
of life in the  
process."**

Mark Miller  
Chairman,  
Evansville Clean Cities  
Alliance

POWERED BY  
**ECO-FUEL**  
CLEAN NATURAL GAS



**"Down the Lazy  
River is a partner-  
ship among the  
State, the regional  
CVBs and the indi-  
vidual businesses.  
By working together,  
we were able to  
develop a unique  
theme that appeals  
to more  
people. That benefits  
all of us."**

Steve Thomas  
Owner,  
Thomas Family Winery

## It's about...cooperation and collaboration.

Tours of historic homes. Wine tasting at award-winning wineries. Leisurely cruises down scenic waterways. Overnight stays at quaint bed and breakfasts. What sounds much like the elements of a European vacation are actually components of "Down the Lazy River," a tour through five Southeastern Indiana counties that hug the Ohio River.

**D**earborn, Jefferson, Ohio, Ripley and Switzerland counties have much to offer visitors, but limited experience in promoting themselves. So when the Indiana Department of Commerce's Tourism Division invited them to create a press trip highlighting their most interesting attractions, the counties worked with Tourism staff and neighboring convention and visitors bureaus to develop a plan.

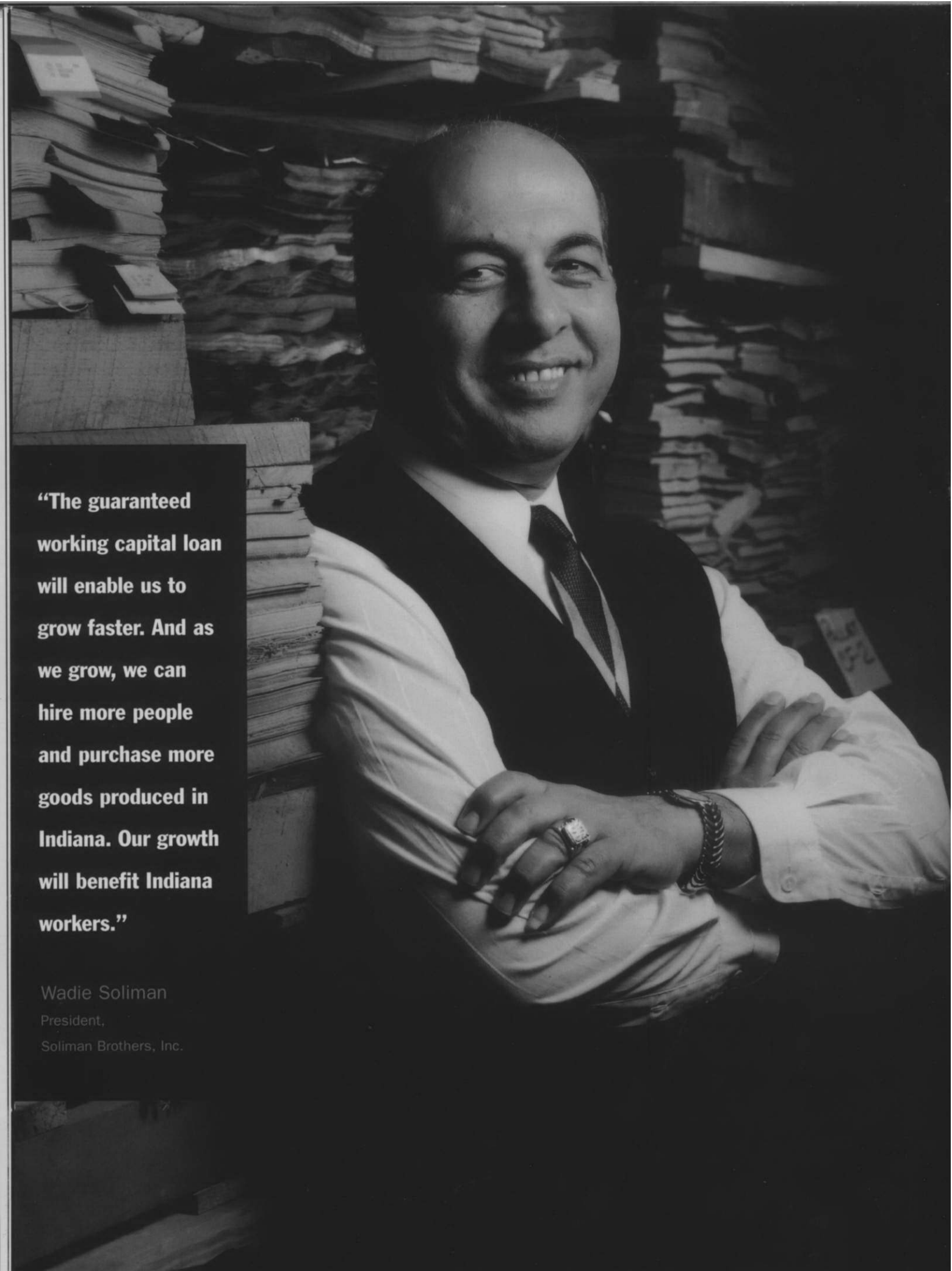
The group identified two marketing tactics for the counties: promote themselves as a region rather than as individual counties, and develop a trip that appeals to a broad range of travelers.

Shortly thereafter, Down the Lazy River was born. The trip, which features stops at historic sites, casino boats, local wineries, one-of-a-kind restaurants, and family-owned bed and breakfasts, proved so popular among travel writers that it's now marketed as a group tour and a family vacation. Already, businesses in the region have benefited from the increased exposure, and the convention and visitors bureaus in the five counties are proving the merits of cooperation. In addition, travel features are scheduled to appear in the *Chicago Tribune*, *Booth* newspaper in Michigan and *Home & Away* magazine.

### INDIANA KEY ACHIEVEMENTS

- The Indiana Tourism Council was created to stimulate industry growth through collaborative efforts.
- Visitor spending grew to \$6 billion in 1997, and the industry accounts for 120,000 full-time equivalent jobs, a 35 percent increase over 1993.
- Forty-eight not-for-profit organizations received Tourism Information and Promotion Fund grants totaling more than \$250,000.
- *Going All the Way*, Indianapolis native Dan Wakefield's novel-turned-movie, premiered in September and thrilled audiences at the Sundance Film Festival. The film had an estimated economic impact of \$1 million.
- Five feature projects were filmed in Indiana during 1997, generating more than \$1 million in economic impact: *Gl Joe: The Ernie Pyle Story*, *The Best Man*, *The Innocents*, *Forgive Me Father*, and *American Reel*.





**"The guaranteed  
working capital loan  
will enable us to  
grow faster. And as  
we grow, we can  
hire more people  
and purchase more  
goods produced in  
Indiana. Our growth  
will benefit Indiana  
workers."**

Wadie Soliman  
President,  
Soliman Brothers, Inc.

## It's about...working globally.

In 1984, Soliman Brothers, Inc. began exporting lumber and hardwood veneers to Egypt, Greece, Spain and several other European and Middle Eastern countries. Last year, this Scottsburg company received the boost it needed to double—and perhaps even triple—its sales overseas, where the demand for American wood products is extremely high.

**W**orking through the Indiana Department of Commerce's International Trade Division, the company received a \$400,000 line of credit that's guaranteed through a program offered jointly by the Export-Import Bank and the U.S. Small Business Administration.

In exporting, the lag time between product shipment and customer payment often limits a company's ability to build the capital that's necessary to grow. The line of credit will help Soliman Brothers maintain a strong capital base and, in turn, increase its capacity to export its lumber and wood veneer products.

"My whole business revolves around exports," said Wadie Soliman, president of Soliman Brothers, Inc. "This line of credit will help us increase our exports, which will help us grow."

### INDIANA KEY ACHIEVEMENTS

- Indiana companies exported a record-breaking \$13.1 billion worth of products, with all of the State's top-10 export industries experiencing gains.
- Four Indiana cities were among the 25 fastest-growing exporters in the country: South Bend, Terre Haute, Lafayette and Muncie.
- Lt. Gov. Kernan led three overseas trade and investment missions to Japan and Brazil.
- The State opened its ninth foreign trade office in Sao Paulo, Brazil.
- Nearly 500 manufacturers attended Commerce's third-annual Indiana International: Network '97 Conference, an international trade conference.
- Commerce provided export-related assistance to more than 2,000 companies.
- Commerce's nine international trade offices received 300 requests for distribution searches, generated 2,600 trade leads and fulfilled 1,300 requests for assistance.
- Commerce awarded 67 grants totaling \$270,000 through its Trade Show Assistance Program.
- Commerce's Trade Finance Program supported \$26 million in export sales through its insurance and loan guarantee programs, up \$8 million from 1996.

## RESOURCE GUIDE

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